

Land Board Agenda Item October 15, 2007

LYMAN CREEK LAND EXCHANGE, DNRC/FWP SULA-CALF CREEK-THREEMILE

- Proposal:** Land exchange between the Department of Natural Resources and Conservation (DNRC) and Region 2 of Montana Department of Fish, Wildlife and Parks (FWP).
- Proponent:** DNRC and FWP
- Acres:** Exchange 368 acres managed by FWP in the Sula State Forest, Ravalli County
80 acres W1/2SW1/4 Sec 13 T2N R19W
287.92 acres SWNE, Lots 5,6,8,9,10 Sec 14, T2N, R19W
For 240 Trust acres in the Calf Creek and Threemile Wildlife Management Area,
80 acres N1/2SE1/4 Sec 30 T10N R18W Ravalli County (PB Trust)
160 acres SE1/4 Sec 16 T6N R19W Ravalli County (CS Trust)
- Location:** Ravalli County (Figures 1-3).
- Beneficiary:** Common Schools and Public Buildings

The Southwestern Land Office requests preliminary Land Board consideration of a proposed land exchange in Ravalli County. The proposal is to exchange approximately 368 acres of FWP land in the Sula State Forest for DNRC in-holdings within the Calf Creek Wildlife Management Area (WMA) and the Threemile WMA. DNRC and FWP would receive approximately equal values but FWP would receive less acreage due to the excess timber values on the Trust Lands. This exchange would consolidate ownership on the respective agencies lands.

The following describes how the proposed land exchange relates to the Board of Land Commissioners Exchange Criteria:

1) Equal or Greater Value:

The Trust will receive equal or greater value. The FWP land in Sula was burned during the fires of 2000 and salvage logged by a previous land owner. There is minimal excess timber values associated the land. The Trust Lands to be exchanged have approximately 1,770 MBF of excess timber. If the per acre land value of both is equal, DNRC will have to remove, or receive a Timber Deed for, approximately 750 MBF in order to equal exchange values.

Meets criteria.

2) State Land Bordering on Navigable Lakes and Streams:

There are no navigable lakes or streams located within the boundaries of the proposed exchange properties.

Meets criteria.

3) Equal or Greater Income:

Over time the land that would be acquired by the Trust has the potential to generate greater income because of the greater acreage. The productivity of the exchange parcels is approximately equal. In the near-term, the greatest benefit to the Trust would be the reduced costs associated with land management. The parcels the Trust currently own are isolated, without legal access or serviceable roads. The cost of securing access and building roads would significantly reduce short term revenues. Approximately 6 miles of property boundary would be eliminated. Overall management costs on the Sula State Forest would be reduced. Based on estimated land values, preliminary land management options, and DNRC reserving approximately 750 MBF of timber in a Timber deed, it is estimated that the Rate of Return on the FWP parcel and reserved timber would exceed the ROR on the DNRC parcels.

Meets criteria.

4) Equal or Greater Acreage:

The Trust will acquire approximately 368 acres in exchange for approximately 240 acres.

Exceeds criteria.

5) Consolidation of State Lands:

Both DNRC and FWP would remove in-holdings within consolidated blocks of land on the Sula State Forest and the Threemile and Calf Creek Wildlife Management Areas.

Meets criteria.

6) Potential for Long Term Appreciation:

The potential for long term appreciation of land acquired by the Trust is greater than the present configuration of land. Legal access for all lawful purposes would be acquired in the exchange, providing greater land use opportunities in the future. While the parcels acquired by FWP are closer to Missoula, the accessibility of the parcels is remote and difficult, making the accessibility, and hence potential appreciation of all parcels relatively equal.

Meets criteria.

7) Access:

Neither DNRC nor FWP have legal access to their properties proposed for exchange. The proposed land exchange would result in both agencies having legal access to the exchange parcels due to the fact that the acquiring agency is the adjacent land owner. Public access would not be affected as the public has access to all lands under current ownership and would continue to have access after the exchange. Public use would be simplified by having consolidated blocks of land with consistent Rules and policies.

Meets criteria.

This proposed exchange was scoped in a joint DNRC/FWP scoping notice in July 2007. Two letters of support were received, and no opposition was expressed. The Ravalli County Fish and Wildlife Association, in their letter of support, indicated some concern about DNRC's future retention of the Lyman Creek property. As the Lyman Creek parcel is an in-holding within the Sula State Forest, it would be in the best interest of the Trust to maintain ownership into the foreseeable future. The current leasee of the DNRC Three Mile parcel has been notified of this proposed exchange and has offered no objection.

Recommendation:

The Director recommends proceeding to the next phase of the land exchange process.